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**USTR Zoellick to Discuss Regional Free Trade
Agreement on Visit to South Africa**

WASHINGTON - The proposed free trade agreement (FTA) between the United States and the five member countries of the Southern African Customs Union (SACU) will be the main focus of U.S. Trade Representative Robert B. Zoellick's January 13 visit to South Africa. Zoellick will meet in Pretoria with the Trade Ministers of Botswana, Lesotho, Namibia, South Africa and Swaziland to discuss a roadmap and timetable for forthcoming FTA negotiations. Discussions will begin in February, with U.S. and SACU officials meeting to plan the negotiating process and develop an effective negotiating framework. Additionally, U.S. trade capacity funds will assist SACU countries in identifying their technical negotiating needs.

"Today we are opening a new era – we are embarking with these FTA negotiations on a path to mutual economic growth and to increased prosperity for the people of southern Africa," Zoellick said. "A U.S.-SACU FTA will expand U.S. access to the vital and growing southern African market to the benefit of our farmers, workers, businesses and families. And it will give new hope and economic opportunity to the people of southern Africa by increasing trade, creating new jobs, boosting economic growth and development, and promoting regional integration."

Following his visit to South Africa, Ambassador Zoellick will proceed to Mauritius where he will lead the U.S. delegation to the Second U.S./Sub-Saharan Africa Trade and Economic Cooperation Forum from January 15-17. The annual "AGOA Forum" provides an opportunity for top U.S. and sub-Saharan African trade officials to discuss ways of expanding trade and investment relations under the provisions of the African Growth and Opportunity Act (AGOA). Enacted in 2000, AGOA authorized a new U.S. trade and investment policy toward Africa, including duty-free access to the U.S. market for goods from eligible countries – including all five members of SACU -- and expanded consultation on trade and economic issues.

Zoellick last traveled to sub-Saharan Africa in February 2002, stopping in Kenya, South Africa and Botswana on what was the first official visit to Africa by a sitting U.S. Trade Representative.

Background

Proposed Free Trade Agreement with SACU

In November 2002, U.S. Trade Representative Zoellick notified Congress of the President's intent to initiate a free trade agreement (FTA) with the five member countries of the Southern African Customs Union (SACU): Botswana, Lesotho, Namibia, South Africa, and Swaziland. The proposed FTA is in keeping with AGOA, which encouraged the pursuit of free trade agreements with sub-Saharan African countries.

This FTA is a key part of the Bush Administration's broader trade liberalization efforts. Through bilateral, regional, and multilateral trade initiatives, the Administration is seeking to spark competitive liberalization of trade, target the needs of developing countries, and support African efforts to move to the mainstream of the global economy. These trade initiatives complement the efforts of African leaders to boost economic growth and development through increased trade. The SACU countries are strong economic reformers and leading AGOA beneficiaries. They have seen the positive role that trade can play in promoting economic growth and development and are now taking an important step toward deeper commercial engagement with the United States.

An FTA with SACU will benefit U.S. businesses, workers and consumers by providing preferential access to our largest export market in sub-Saharan Africa. The United States exports to SACU were worth more than \$3.1 billion in 2001. An FTA will also help to address longstanding regulatory barriers in the region and to level the playing field in areas where U.S. exporters were disadvantaged by the European Union's free trade agreement with South Africa. Building on the success of AGOA, a U.S.-SACU FTA would give SACU member countries guaranteed market access to the world's largest economy, encouraging greater long-term investment in their economies. The FTA would also reinforce ongoing regional economic reforms and lower the perceived risk of doing business in southern Africa.

Trade capacity building technical assistance will be a fundamental element of the bilateral cooperation in support of the FTA. Through the U.S. Agency for International Development, the United States has identified initial funding to help the SACU countries prepare for and participate in the negotiations, implement commitments, and take advantage of trade opportunities. This effort will build on the longstanding U.S. commitment to trade capacity building in southern Africa and across the developing world.

The member countries of SACU had access to almost \$34 million in U.S. trade capacity building assistance for sub-Saharan Africa in fiscal year 2002. More than \$5.5 million was through specific bilateral trade-related technical assistance initiatives, and SACU countries also benefitted from \$28.2 million through programs for the Southern African Development Community (SADC).

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